

## Productivity Improvement Review

Productivity Improvement is not new to the U.S. Army. Army installations have long been working to improve performance and reduce cost. However, with the creation of the Installation Management Agency a systematic Army-wide approach to productivity improvement is needed.

The Productivity Management Implementation Plan directs that all Army garrisons should start conducting Productivity Improvement Reviews (PIR) by NLT September 30, 2003.

The Plan states: "The purposes of the Productivity Improvement Reviews include reporting on costs, performance and progress, setting goals for the future, and making decisions on implementing performance improvements."<sup>1</sup> Garrisons must actively initiate and evaluate cost and performance measurements in a continuous manner to improve overall performance and effectiveness.

The Quarterly Productivity Improvement Review (PIR) is the vehicle that will help Garrisons establish this culture of continuous improvement. The PIR adds the "teeth" to the continuous improvement initiative.

A well-conducted PIR focuses key managers on the need for productivity improvement, demonstrates the Commander's pledge for constant improvements and shows key managers how to implement on-going productivity improvements in their areas of responsibility (AOR).

An effective PIR addresses both "Performance" (performance metrics) improvements and "Cost" (Service Based Costing and ABC-information, or any other cost modeling system) improvements (avoidance or savings). Productivity improvements occur "project by project."